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Local Commissioners Memorandum

Transmittal:	05-OCFS-LCM-19
To:	Local District Commissioners
Issuing Division/Office:	Development and Prevention Services Administration
Date:	December 20, 2005
Subject:	Adoption Incentive Payment Award Allocations
Contact Person(s):	BRO - Linda Brown (716) 847-3145 User ID: Linda.Brown@ocfs.state.ny.us RRO - Linda Kurtz (585) 238-8201 User ID: Linda.Kurtz@ocfs.state.ny.us SRO - Jack Klump (315) 423-1200 User ID: Jack.Klump@ocfs.state.ny.us ARO - Glenn Humphreys (518) 486-7078 User ID: Glenn.Humphreys@ocfs.state.ny.us YRO - Pat Sheehy (914) 377-2080 User ID: Patricia.Sheehy@ocfs.state.ny.us NYCRO - Fred Levitan (212) 383-1788 User ID: Fred.Levitan@ocfs.state.ny.us
Attachments:	A. Allocation of 2004 Incentive Award B. Number of Children Adopted in FFY 2004 Compared with Baseline Year (FFY 2003)
Attachment Available On – Line:	Yes

I. Purpose

The purpose of this Local Commissioners Memorandum (LCM) is to advise social services districts of New York State's receipt, and allocation to districts, of \$1,978,000 in federal Adoption Incentive

payment funds for Federal Fiscal Year (FFY) 2004. This memorandum also provides information on how districts may use these funds, including claiming and reporting instructions.

II. Background

Federal Awards to States

The federal Adoption Promotion Act of 2003, (the Act) reauthorized the adoption incentive payment program under Title IV-E of the Social Security Act. States must exceed a baseline number of adoptions to qualify for incentive funds. Under the 2003 amendments, incentive funds are awarded to states if they exceed the overall foster child adoption, older child adoption or special needs adoption baselines. Annually, up to \$43 million total for incentive payments to eligible states is authorized for appropriation for federal fiscal years 2004 through 2008. In the event that the total amount of incentive payments earned by states exceeds the amount of funds appropriated for this purpose, payments to states will be prorated accordingly. The amendments became effective on October 1, 2003, and affect how states earn incentive funds for adoptions finalized during or after FFY 2003.

Section 473A of the Social Security Act provides for incentive payments for a fiscal year in accordance with the following [per section 473A(d)]:

- \$4,000 for every foster child adopted over the baseline for public agency adoptions;
- \$4,000 for every older child adopted over the baseline for children age 9 and older; and
- \$2,000 for every young child with special needs adopted over the baseline for children under age 9 with special needs.

A state may receive an incentive payment for each category of finalized adoptions, if the state exceeds the established baseline for each adoption group. To qualify for the young child with special needs incentive payment, the state must exceed its baseline for either the foster child adoptions or older child adoptions. The amount of incentive payments to states will be determined by the amount of funds appropriated annually by Congress. If Congress does not appropriate sufficient funds, these payments will be prorated.

Incentive funds earned by states within a fiscal year (earning year) are paid to states the subsequent fiscal year (award year). This is because the actual amount of incentive funds cannot be calculated by the Administration for Children and Families (ACF) of the federal Department of Health and Human Services until each state's Adoption and Foster Care Analysis and Reporting System (AFCARS) data is submitted after the end of the fiscal year for which the funds are awarded. The ACF reserves the right to adjust awards to states, as it deems necessary, based on AFCARS data reconciliation, fiscal year appropriation and the statutory payment formula. Therefore, OCFS reserves the right to adjust awards to districts accordingly if the ACF adjusts the award to New York State.

Additional information about the federal incentive payments, including the process used for establishing adoption incentive baselines, can be found in Federal Program Instructions ACYF-CB-PI-04-03, issued on March 23, 2004, by the Children's Bureau of ACF. The website link to these program instructions is http://www.acf.hhs.gov/programs/cb/laws_policies/policy/pi/pi0403.htm.

New York State Allocation of Adoption Incentive Payment

State statute [Social Services Law, §409-a (10)] requires that adoption incentive funds received by the state be allocated proportionately to the social services districts that increased their adoptions of children in foster care in the relevant federal categories.

As directed by the State statute, the full amount of the FFY 2004 federal adoption incentive payment to New York State is being allocated to the social services districts that increased their adoptions over the baseline in FFY 2003 of foster children, children age 9 or older, and/or children less than 9 years old with special needs. (To qualify for the incentive payment for younger children with special needs, a district must have exceeded its baseline for either foster child adoptions or older child adoptions.)

Section 409-a (10) of the Social Services Law also provides that social services districts may use their adoption incentive payments only for preventive services, including substance abuse services provided to pregnant women or a caretaker person in an outpatient, residential or inpatient setting. Up to 30 percent of the amount provided to a district may be used for post-adoption services to children and families.

III. Program Implications

Federal Requirements

State expenditure of awarded adoption incentive payments is limited to the costs for services (including post-adoption services) and activities allowable under Title IV-B or Title IV-E of the Social Security Act.

State Requirements

Under state statute [Social Services Law §409-a (10)], the adoption incentive payment awards allocated to local districts must be used to provide preventive services to children and families as defined in 18 NYCRR Part 423, which may include mandated preventive services, non-mandated preventive services, or community optional preventive services. Up to 30 percent of an award may be used to provide post-adoption services to children or families. The statute also specifically provides that preventive services for this purpose can include substance abuse services provided to a pregnant woman or to a child's caretaker in an outpatient, residential or in-patient setting.

Local District Opportunities

Adoption incentive payments represent flexible, federal funding with little restriction on spending. Districts in receipt of the funding may invest in a range of services to prevent first or subsequent out-of-home placements of children from the home of their parents (both birth and adoptive parents) or guardians. This funding provides districts an opportunity to fund existing programs at current levels, expand existing programs, or start up new programs. Investment in evidence-based, family-centered programs may prove effective in enabling local districts to maintain children and youth safely with their families.

The following list offers suggestions of some of the kinds of existing or new programs that districts may want to consider in using their incentive payments.

- Services to hasten discharge of children to reunification, including strengthened visitation programs, family meetings, and concurrent planning and permanency mediation.
- Services to locate and strengthen the role of birth fathers and their extended families.
- Post-adoption services, including support groups for adoptive families, information and referral services, telephone helpline and training for clinicians in adoption issues.
- Preventive services that address the barriers to timely adoption identified in a particular locality through the Adoption Now panel reviews of cases of freed children.
- Substance abuse services to pregnant women or to a child's caretaker.
- Primary prevention services, including home visiting programs and community optional preventive services.
- Services to support kinship caretaker.
- Individualized recruitment for adoptive resources for adolescents in foster care available for adoption. The effectiveness of this was demonstrated in the Longest Waiting Children Program.
- Services to strengthen families, including Functional Family Therapy.

Important Note: While the use of the funding does not require approval by OCFS, regional staffs are available for consultation to those districts that may want additional information. Each district will be asked to provide information to the OCFS regional office about the ways in which they use this allocation. Because this funding is federal, no local match is required nor may this funding be used as any portion of the 35 percent match for State child welfare financing preventive services funding. In addition, this funding may not be used as the State or local match for other available federal funds.

IV. Allocations to Districts

District allocations of the adoption incentive payments for FFY 2004 are listed in Attachment A. OCFS created a formula comparable to the formula used by ACF to calculate New York State's portion of the Adoption Incentive award. OCFS used the net improvement for the number of adoptions in each incentive category and prorated the total incentive payment for that category based on the net increase. The difference is that when the net improvement at the State level (329 adoptions in FFY 2004 over 2003) is broken out at the district level, a decrease in one county will cancel the improvement by another. For example, County A may have increased its adoptions by 6 but County B had 6 fewer adoptions. Therefore, OCFS modified the methodology used by ACF when determining how to allocate the awarded federal funds to the districts in order to award districts that experienced increases over the baseline. A district may receive an incentive payment for each category of finalized adoptions, if the district exceeds the baseline for each adoption group. To qualify for the "young child with special needs" incentive payment, the district must exceed its baseline for either the foster child adoptions or older child adoptions.

OCFS took the total number of additional adoptions for all districts (468) and divided each district's improvement by the total improvement in each of the three categories to find the percent of improvement for each district in each of the three categories. For example, a district that increased its overall adoptions of children in foster care from 25 children in FFY 2003 to 45 children in FFY 2004 had an increase of 20 children, or 4.274 percent of the total district improvement ($20 \div 468$). The dollar award to the State for that category (\$1,316,000) was multiplied by the district's percent of improvement. In the example, 4.274 percent (.04274) was multiplied by the total award in that category, for an award of \$56,239.32. The same was done for each district in the "under 9 with special needs" and the "9 and older" categories. Awards from each category were totaled to compute the overall district allocation.

V. Fiscal and Claiming

Time Period to Liquidate Funds

Federal regulations require that incentive funds be spent by the end of the FFY following the FFY in which they were awarded, regardless of when the funds are received during the award year. For funds earned in FFY 2004 and awarded in FFY 2005, districts must submit final claims by August 15, 2006. Unclaimed allocation amounts will be redistributed to other districts that both earned and fully claimed their Adoption Incentive award, allowing New York State to maximize its use of funds available under this federal funding stream.

Claim and Expenditure Reporting Requirement(s)

The costs related to the federal Adoption Incentive funds should be accumulated on the Schedule D in the F-17 function. These expenditures will carry through to the LDSS-3274, "Schedule D-17, and Distribution of Allocated Costs to Other Reimbursable Programs." While the funds were earned in FFY 2004, states received the award in FFY 2005; expenditures should be reported on the appropriate lines in a column labeled "ADPT INC 2005." These expenditures will support the LDSS-3922 "Reimbursement Claim for Special Projects" (revised 12/00). Each claim should be identified as "ADPT INC 2005" in the Project Name box. The expenditures must also be listed on the Federal Share line (line 18), under the appropriate columns (Non-Administration Costs or Administration Costs).

To receive reimbursement for these expenditures, local districts must sign the certification and submit the LDSS-3922 form to the Bureau of Financial Services Claims Unit, in the New York State Office of Temporary and Disability Assistance. The D-17 should not be submitted with the LDSS-3922 form, but must be retained by the local district for audit purposes.

Please refer to Fiscal Reference Manual Volume 2 Chapter 3 for further LDSS 3922 instruction. Reimbursement will be available up to the amount of the district's allocation.

Incentive funds expended by the districts may not be claimed as State or local matching funds for other federal funds.

VI. Contact Information

Programmatic questions should be directed to the appropriate OCFS Regional Office, Division of Development and Prevention Services (listed on page 1).

Any fiscal questions regarding the Adoption Incentive Award allocation should be directed to:

Lillian Denton , Director, Bureau of Management Information at 518-474-6947.
User ID: Lillian.Denton@dfa.state.ny.us

Claiming questions should be directed to the Office of Temporary and Disability Assistance, Bureau of Financial Services:

Marian Borenstein, Region VI - New York City, 212-961-8250
User ID: Marian.Borenstein@dfa.state.ny.us

Michael Borenstein, Region V, 631-854-9704
User ID: Michael.Borenstein@dfa.state.ny.us

Carolyn Oleyourryk, Regions I-IV - Upstate Office, 1-800-343-8859, extension 4-7549, or 518-474-7549
User ID: Carolyn.oleyourryk@dfa.state.ny.us

s/s Susan A. Costello

Issued By:

Name: Susan A. Costello

Title: Deputy Commissioner

Division/Office: Administration

Allocation of 2004 Adoption Incentive Award

Districts	Allocations for Total Number of Adoptions	Allocations for Age 9 and Older	*Allocations for Under 9 Years Old with Special Needs	Total Allocation
Albany	-	\$ 5,121	-	\$ 5,121
Allegany	-	-	-	-
Broome	-	-	-	-
Cattaraugus	\$ 11,248	-	\$ 3,631	14,879
Cayuga	50,615	33,290	2,178	86,083
Chautauqua	25,308	17,925	-	43,233
Chemung	-	2,561	-	2,561
Chenango	2,812	5,121	-	7,933
Clinton	-	-	-	-
Columbia	-	-	-	-
Cortland	-	5,121	-	5,121
Delaware	16,872	2,561	1,452	20,885
Dutchess	53,427	5,121	7,987	66,535
Erie	275,573	71,701	39,210	386,484
Essex	-	-	-	-
Franklin	14,060	5,121	-	19,181
Fulton	-	2,561	-	2,561
Genesee	16,872	5,121	2,178	24,171
Greene	14,060	12,804	-	26,864
Hamilton	-	-	-	-
Herkimer	22,496	10,243	726	33,465
Jefferson	16,872	12,804	-	29,676
Lewis	-	-	-	-
Livingston	28,120	-	6,535	34,655
Madison	16,872	12,804	2,178	31,854
Monroe	-	33,290	-	33,290
Montgomery	-	-	-	-
Nassau	-	-	-	-
Niagara	-	-	-	-
Oneida	5,624	2,561	2,904	11,089
Onondaga	5,624	-	5,083	10,707
Ontario	11,248	7,682	1,452	20,382
Orange	-	-	-	-
Orleans	-	-	-	-
Oswego	5,624	5,121	-	10,745
Otsego	22,496	5,121	2,178	29,795
Putnam	-	-	-	-
Rensselaer	-	-	-	-
Rockland	-	-	-	-

St. Lawrence	14,060	-	2,178	16,238
Saratoga	39,368	10,243	3,631	53,242
Schenectady	-	2,561	-	2,561
Schoharie	-	2,561	-	2,561
Schuyler	2,812	-	726	3,538
Seneca	-	-	-	-
Steuben	-	-	-	-
Suffolk	205,274	69,140	24,688	299,102
Sullivan	-	-	-	-
Tioga	5,624	-	1,452	7,076
Tompkins	-	-	-	-
Ulster	-	-	-	-
Warren	-	-	-	-
Washington	11,248	-	1,452	12,700
Wayne	-	-	-	-
Westchester	-	-	-	-
Wyoming	11,245	2,561	2,181	15,987
Yates	2,812	5,121	-	7,933
St. Regis Mohawk	-	-	-	-
Upstate	908,266	355,942	114,000	1,378,208
New York City	407,734	192,058	-	599,792
Statewide	\$ 1,316,000	\$ 548,000	\$ 114,000	\$ 1,978,000

*To qualify for the incentive payment, the county must exceed its baseline for either the foster child adoptions or older child adoptions.

Attachment B

Number of Children Adopted in FFY 2004 and FFY 2003

Districts	Children Discharged to Adoption in FFY 2004			Children Discharged to Adoption in FFY 2003 (Baseline)			Adoptions Over Base Line		
	Total Children	9 Years Old and older	*Under 9 years old with Special Needs	Total Children	Age 9 and Older	*Under 9 years old with Special Needs	Total Children	Age 9 and Older	*Under 9 years old with Special Needs
Albany	51	25	20	65	23	37	-14	2	-17
Allegany	6	4	1	11	4	4	-5	-	-3
Broome	24	12	10	36	19	14	-12	-7	-4
Cattaraugus	23	4	16	19	4	11	4	-	5
Cayuga	28	16	9	10	3	6	18	13	3
Chautauqua	25	13	6	16	6	8	9	7	-2
Chemung	28	12	7	38	11	20	-10	1	-13
Chenango	7	4	2	6	2	4	1	2	-2
Clinton	7	3	3	14	8	5	-7	-5	-2
Columbia	3	1	2	10	2	7	-7	-1	-5
Cortland	11	5	4	12	3	5	-1	2	-1
Delaware	6	1	2	-	-	-	6	1	2
Dutchess	33	8	14	14	6	3	19	2	11
Erie	216	72	109	118	44	55	98	28	54
Essex	-	-	-	-	-	-	-	-	-
Franklin	6	3		1	1		5	2	-
Fulton	6	3	3	7	2	3	-1	1	-
Genesee	10	4	4	4	2	1	6	2	3
Greene	10	7	2	5	2	3	5	5	-1
Hamilton	-	-	-	-	-	-	-	-	-
Herkimer	10	4	3	2	-	2	8	4	1
Jefferson	27	10	12	21	5	12	6	5	-
Lewis	-	-	-	1	1	-	-1	-1	-
Livingston	14	2	10	4	2	1	10	-	9
Madison	9	5	4	3	-	1	6	5	3
Monroe	98	49	44	104	36	57	-6	13	-13
Montgomery	2		1	3	1	-	-1	-1	1
Nassau	35	12	23	45	21	23	-10	-9	-
Niagara	12	6	5	18	8	9	-6	-2	-4
Oneida	29	10	19	27	9	15	2	1	4
Onondaga	61	12	40	59	17	33	2	-5	7
Ontario	13	5	4	9	2	2	4	3	2
Orange	42	16	19	48	17	24	-6	-1	-5
Orleans	2		2	3	1	2	-1	-1	-
Oswego	18	7	4	16	5	8	2	2	-4
Otsego	12	5	4	4	3	1	8	2	3
Putnam	-	-	-	4	1	3	-4	-1	-3
Rensselaer	11	2	8	17	5	10	-6	-3	-2

Rockland	26	11	11	27	14	10	-1	-3	1
St. Lawrence	11	1	5	6	3	2	5	-2	3
Saratoga	16	4	6	2	-	1	14	4	5
Schenectady	22	6	15	23	5	16	-1	1	-1
Schoharie	4	1	2	4	-	3	-	1	-1
Schuyler	1	-	1	-	-	-	1	-	1
Seneca	-	-	-	4	1	2	-4	-1	-2
Steuben	13	3	7	15	10	2	-2	-7	5
Suffolk	156	59	76	83	32	42	73	27	34
Sullivan	-	-	-	2	1	1	-2	-1	-1
Tioga	7	3	4	5	3	2	2	-	2
Tompkins	14	1	11	22	11	7	-8	-10	4
Ulster	12	3	3	15	7	7	-3	-4	-4
Warren	8	1	6	9	4	5	-1	-3	1
Washington	9	3	4	5	3	2	4	-	2
Wayne	15	6	2	20	11	4	-5	-5	-2
Westchester	38	12	26	51	15	32	-13	-3	-6
Wyoming	6	2	4	2	1	1	4	1	3
Yates	2	2		1	-	1	1	2	-1
St. Regis									
Mohawk	-	-	-	1	1	-	-1	-1	-
Upstate	1,255	460	599	1,071	398	529	184	70	62
New York City	2,751	1,315	1,262	2,606	1,240	1,275	145	75	-13
Statewide	4,006	1,775	1,861	3,677	1,638	1,804	329	145	49